BRITISH COLUMBIA

# BC STATS Infoline

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Issue: 00-45 5 Pages
November 10, 2000

## highlights

a weekly digest of recently released British Columbia statistics

### *The Economy*

- **The value of building permits issued by BC municipalities dropped 30.6% (seasonally adjusted) in September after spiking (+33.3%) in the previous month.** Permits for both residential (-41.4%) and non-residential (-15.5%) projects dropped below the August level. In the non-residential sector, the decline was mainly due to a 43.4% drop in the value of planned institutional and government sector projects. Among the provinces, Saskatchewan (-32.5%), BC and New Brunswick (-28.8%) recorded the biggest declines. Nationally, building permits were flat in September (+1.2%) as strong gains in central Canada and parts of the east coast were offset by declines in the rest of the country.

  *Source: Statistics Canada*

- **During the third quarter, the value of building permits issued in BC increased 10.4% (seasonally adjusted), largely due to a sharp rise (+20.4%) in residential permits, which came on the heels of a 7.1% jump in the second quarter.** The upturn in residential permits may be partly due to repair work undertaken by owners of leaky condos, as housing starts so far this year have been weak. At the same time, permits were issued for $567 million of non-residential construction projects (+0.1%), about half of which ($321 million) were for commercial projects.

  *Source: Statistics Canada & BC STATS*

- **Year-to-date, the value of building permits issued in the province fell 2.5% (unadjusted) despite a 5.2% increase in the Mainland/ Southwest region.** Kootenay (+5.7%) and North Coast (+143.1%) were the only other regions to post increases. Permits were down significantly In Vancouver Island/Coast (-25.0%), Nechako (-22.1%) and Cariboo (-20.5%), with more moderate declines seen in Thompson/Okanagan (-13.1%) and Northeast (-11.4%).

  *Source: Statistics Canada*

### *Housing*

- **New housing prices in BC's two biggest cities continued their long downward slide in September.** The cost of new housing in Victoria fell to 3.1% below the September 1999 level, while prices for new housing built in the Vancouver area were down 0.6%. New housing prices also fell in Sudbury/Thunder Bay (-2.1%) and urban centres in New Brunswick (-1.2%). Nationally, the new housing price index was 2.4% higher this September than it had been a year earlier. The cost of new housing in Ottawa/Hull has shot up (+9.1%) during the last year. Increases in other metropolitan areas ranged from 0.5% in Windsor to 4.7% in Kitchener/Waterloo. *Source: Statistics Canada*

- **The number of housing starts in British Columbia continued to climb after falling to their lowest level in nearly two decades in August.** Housing starts were up 33.1% (seasonally adjusted) last month, after rising 41.3% in September. The gain was largely due to a 39.6% jump in multiple starts, which tend to be rather volatile. It is likely that the civic worker's strike in Vancouver will have a dampening effect on housing starts during the latter part of this year, as builders are currently unable to buy permits for new construction in that city.

  Starts were up in all but two provinces, rising 4.9% nationally. BC's 33.1% increase was the second highest in the country, after PEI, where

**Report** **Income and Income Distributions**

***Did you know...***
***Canadian drivers are as likely to die in an accident as Americans are. In 1996, there were 2 motor vehicle fatalities for every 10,000 vehicles driven in Canada or the United States. The fatality rate in Mexico was 7.5.***

starts were up 50.0%. Other provinces posted more modest gains.

*Source: Canada Mortgage & Housing Corporation*

- **CMHC is forecasting better times for BC's housing market next year.** Up to the end of August, starts in the province had been trending down for more than 7 years, falling to 69% below the peak set in May 1993. This was the longest downturn in the last 50 years. However, starts are expected to rise 10% in 2001, led by a 15% increase in multiple housing starts. In the Vancouver area, starts are forecast to rise 12%. Low inventories of new housing in the province are expected to contribute to the turnaround.

*Source: CMHC Housing Facts*

### *Protecting the Environment*

- **Canadian industries spent $3.0 billion on environmental protection in 1998.** An additional $1.7 billion of capital expenditures were incurred for the same purpose.The biggest operating expense was for pollution abatement and control measures (including waste management), which cost firms $1.3 billion. Another $349 million was spent on pollution prevention processes, while $300 million went for reclamation and decommissioning. Monitoring the environment cost firms $190 million, while $139 million was spent on wildlife and habitat protection. Industries paid $85 million in fines, fees and licences.

  Manufacturers of primary metals ($419 million) and pulp, paper and paperboard ($388 million) and producers of electric power ($296 million) spent the most on environmental protection measures in 1998. *Source: Statistics Canada*

### *Cruise Ships*

- **During the 2000 cruising season (March to October), cruise vessels made 336 visits to the Port of Vancouver.** There were 27 more cruise ship visits to Vancouver than the previous year (when 309 visits were made to the port). The number of passengers broke a million (1,053,989) for the first time, a substantial increase (+11.2%) from 947,659 passengers in 1999. A large majority (93%) of these passengers either joined or left their cruise in the city.

  Cruise ship traffic (in terms of passengers) through Vancouver has increased by two and a half times over the last decade. In 1991, there were 423,928 passengers who visited the port. That year, cruise ships docked 256 times, suggesting that the occupancy or capacity of the cruise ships is increasing. *Source: Port of Vancouver*

### *Participating in Sports*

- **Residents of BC, Alberta and Quebec have something in common: they're more likely to regularly participate in sports than other Canadians.** In 1998, 36% of the adult population in this province participated in sports. This compares to 37% in Alberta, and 38% in Quebec. People living on the east coast of the country–in Newfoundland (27%) and PEI (25%)–were the least likely to be involved in sports. The national average was 34%, down from 45% of adults who reported that they participated in sporting activities six years earlier. Sport participation in all provinces has declined since the early 1990s. Men (43%) are much more likely to be involved in sports than women (26%).

  Golf has replaced hockey as the most popular sport in the country, suggesting that aging baby-boomers may be having an effect on the nature of sporting activities in Canada. More than 1.8 million Canadians (7.4% of the adult population) played golf on a regular basis in 1998, up from 1.3 million in 1992. About three-quarters of all golfers are males, but nearly half a million women enjoy this activity. Six out of ten golfers play their game once or twice a week. Second-ranked hockey was enjoyed by 6.2% of the adult population, while baseball (5.5%) and swimming (4.6%) were also popular.

  While fewer Canadians participated in sports at the end of the last decade than at the beginning, more were volunteering as coaches and referees. The number of Canadians coaching amateur sports doubled from 840,000 to 1.7 million (7% of the adult population) between 1992 and 1998. The number of referees, officials and umpires rose from 550,000 to 940,000 (4% of the population) during the same period.

*Source: SC, Focus on Culture, Catalogue 87-004-XIE*

*For data originating from Statistics Canada: data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the publication name or catalogue number.*

November 10, 2000

# Infoline Report: Income and income distribution: Comparisons between BC and the rest of Canada

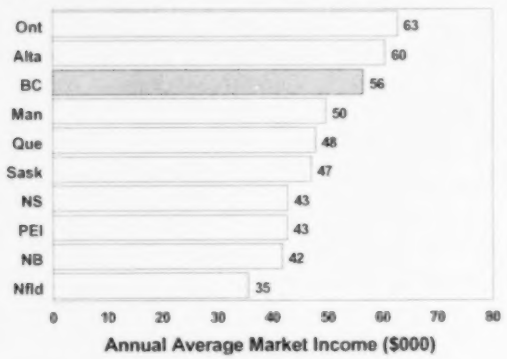
Contact: Anne Kittredge / (250) 387-0374

Originally published in the August 2000 issue, *Earnings and Employment Trends*. Annual subscription: $60 + GST

At the beginning of the 1990's, the average market income[1] of families in BC was $56,532[2]. Since then average income levels have fluctuated below that level, hitting a low point in 1993 of $52,749. Since 1993, incomes have gradually rebounded reaching $56,416, by 1998 (most recent year available).

Over the last ten years, Ontario consistently had the highest average family income in Canada. In 1998, Ontario families were earning 11 per cent more than BC families. However, like BC, the 1998 level was still below the high point of the last ten years, which happened in 1989.

***In 1998, the average market income[1] of BC families was the third highest in Canada, after Ontario and Alberta.***




On the other hand, Alberta has seen a significant increase in family income since 1989. While Alberta & BC had similar income levels for the first half of the 90's, things began to change between 1995 and 1998. Alberta's income increased by 18 per cent compared to BC's increase of 3 percent. The most recent data show average incomes of Alberta families 7 per cent higher than BC families.

In 1998, families in the poorest province in the country, Newfoundland, earned only 57 per cent of what Ontario families earned but fortunately that gap has not widened since 1989.

Averages reveal nothing about the disparity of incomes between families. Below we look at the difference in income of the rich (defined here as the 20 per cent of families with the highest incomes) and the poor (the 20 per cent of families with the lowest incomes).

In 1998, the average market income of poor families in BC was $10,824 compared to the average of $117,954 for rich families. The poor earned only 9.2 per cent of what the rich earned. This 9.2 per cent represents the market income gap between the rich and the poor in BC.

Relative to the last ten years, this income gap falls somewhere in between the high and the low. The most inequitable time was in 1993, when the poor had income levels only 7.3 per cent of that of the rich. The gap was at its lowest in 1996, when the gap was 9.8 per cent. Since then, the gap has been widening.

The discussion to this point has referred to the market income gap which does not take into consideration government income redistribution policies. A better measure of the difference in how families fare financially is the comparison of family income after transfer payments[3] and after federal and provincial taxes. Relative to market income ($56,416), BC average family income is increased by transfer payments to $63,252 but reduced by taxes to $51,424. In that process, income is shifted from the rich to the poor.

[1] *Market Income include earnings, investment income, retirement pensions, and other incidental market income. It excludes all government transfers.*

[2] *In constant 1998 $.*

[3] *Includes such items as Old Age Pension, Canada Pension Plan, provincial income assistance, provincial tax credits, etc.*

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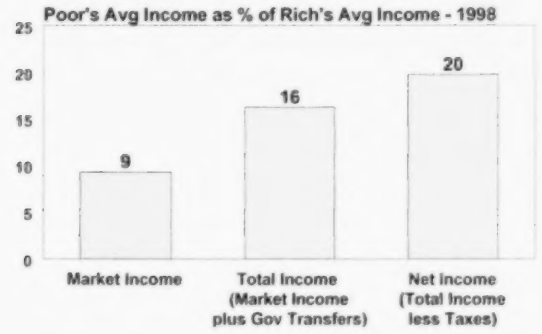
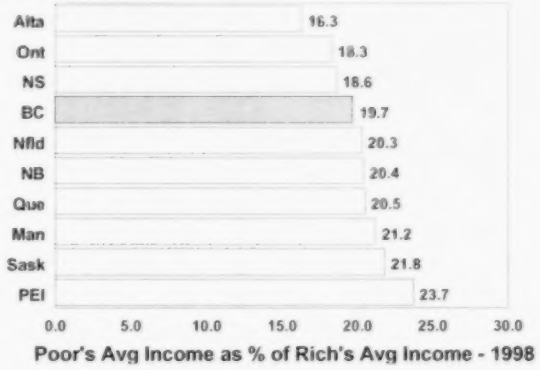
***In BC, the redistribution of income, reduces the income gap between the rich and the poor by 11 percentage points from 91 to 80 percentage points***




The income gap determined purely by market forces is tempered considerably by these income redistribution policies. A full 7 percentage points is knocked off through transfer payments, a further 4 percentage points through income taxes, for a total of 11 percentage points.

How does BC's gap between the rich and the poor compare to other provinces in the country? The next chart of comparative income gaps (after transfers and taxes) shows that the "have" provinces, in general, have a wider income gap than the "have-not" provinces. Interestingly, the three provinces heavily reliant on agriculture, Saskatchewan, PEI and Manitoba, have the most equitable income distributions in the country.

***Among the provinces, Alberta had by far the worst income gap between the rich and the poor***




The larger gap between the rich and poor in Alberta compared to that in BC is because Alberta's rich have an average income, after taxes and transfers, of $101,214 compared to BC's rich of $95,177, a 6 per cent advantage. Alongside that, the income levels of their poor ($16,547) fall short of BC's poor ($18,727) by 12 per cent.

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# Infoline

November 10, 2000

fax transmission information service from **BC STATS**

also on the Internet at http://www.bcstats.gov.bc.ca

## BC at a glance . . .

| **POPULATION (thousands)** | Jul 1/00 | % change on one year ago |
|---|---|---|
| BC | 4,063.8 | 0.9 |
| Canada | 30,750.1 | 0.8 |
| **GDP and INCOME** | | |
| *(BC - at market prices)* | 1999 | % change on one year ago |
| Gross Domestic Product (GDP) *($ millions)* | 118,783 | 4.2 |
| GDP *($ 1992 millions)* | 104,323 | 2.1 |
| GDP *($ 1992 per Capita)* | 25,899 | 1.3 |
| Personal Disposable Income *($ 1992 per Capita)* | 16,700 | 0.0 |
| **TRADE ($ millions)** | | |
| Manufacturing Shipments (seas. adj.) Aug | 3,077 | -1.6 |
| Merchandise Exports (raw) Aug | 2,776 | 11.2 |
| Retail Sales (seasonally adjusted) Aug | 2,993 | 6.9 |
| **CONSUMER PRICE INDEX** | | |
| *(all items - 1992=100)* | Sep '00 | % change on one year ago |
| BC | 114.3 | 1.9 |
| Canada | 114.4 | 2.7 |
| **LABOUR FORCE (thousands)** | | |
| *(seasonally adjusted)* | Oct '00 | % change on one year ago |
| Labour Force - BC | 2,123 | 2.8 |
| Employed - BC | 1,960 | 2.9 |
| Unemployed - BC | 163 | 1.8 |
| | | Oct '99 |
| Unemployment Rate - BC *(percent)* | 7.7 | 7.7 |
| Unemployment Rate - Canada *(percent)* | 6.9 | 7.1 |
| **INTEREST RATES (percent)** | Nov 8/00 | Nov 10/99 |
| Prime Business Rate | 7.50 | 6.25 |
| Conventional Mortgages - 1 year | 7.90 | 7.35 |
| - 5 year | 8.25 | 8.25 |
| **US/CANADA EXCHANGE RATE** | Nov 8/00 | Nov 10/99 |
| *(avg. noon spot rate)* Cdn $ | 1.5427 | 1.4714 |
| US $ *(reciprocal of the closing rate)* | 0.6485 | 0.6811 |
| **AVERAGE WEEKLY WAGE RATE** | | |
| *(industrial aggregate - dollars)* | Oct '00 | % change on one year ago |
| BC | 647.97 | 2.5 |
| Canada | 622.58 | 3.6 |

**SOURCES:**

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bank-banque-canada.ca/english/wfsgen.htm

## Provincial GDP released

GDP figures to the left reflect the release of 1999 data this week by Statistics Canada.

### Released this week by BC STATS

- Labour Force Statistics, October 2000
- Quarterly Regional Statistics, Third Quarter 2000

### Next week

- No subscription releases

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